



## Creating the Total Innovation Enterprise

**The next generation of business leaders will succeed by making everything from strategy to cost-cutting a creative exercise.**

### **Here's how.**

Realizing that they cannot increase earnings indefinitely through restructuring and re-engineering, many business leaders have looked to innovation initiatives for growth. Often, the results have not lived up to the rhetoric. While able to innovate in isolated areas of the business, companies have not been able to unleash the creativity of employees continually across all major areas of the organization. Because many CEO's have been unable to successfully operationalize a process of innovation, they have reluctantly given up on company-wide innovation initiatives seeing them as too costly, complicated and chaotic.

There is a fundamental misconception that company-wide innovation requires a painful, large-scale organizational change. Not so. What companies need is an actionable framework for generating business-building new ideas without ripping apart a system that is already working. By applying proven innovation techniques within five growth-defining areas, a company can become a Total Innovation Enterprise, where generating new ideas becomes a way of life.

American business has adopted a wide range of approaches to fulfill the promise of growth through innovation... some more successful than others. Do any of the following sound familiar?

The CEO gives a speech emphasizing the critical role of innovation to the future of the company at their annual employee meeting...A "skunk works" innovation team is established and located off-site to develop large (+\$100 million) longer-term growth initiatives...A new innovation process with supporting software is launched to track, prioritize and drive the most promising new product ideas

through progressive innovation stages...Business units are re-structured to include new innovation teams dedicated to developing shorter-term, "closer-in" new products/services...

Quarterly, off-site brainstorming sessions are mandated for each business unit...An existing conference room is converted into an "Innovation Room", complete with comfortable chairs, brightly colored-walls, and provocative reading materials...HR develops inspirational messages encouraging innovation, and posts them throughout the company's hallways and elevators.

Unfortunately, as those who've participated in these initiatives know, few, if any meaningful, bottom-line enhancing ideas ever result from these approaches.

### **Why is this?**

While well intentioned, such initiatives miss the point. Once a year speeches, hallway slogans, and brightly-colored creativity rooms while highly visible, are ultimately low-impact activities that contribute little to realizing the true innovative potential of the company. They are flavor-of-the-month innovation "means" masquerading as profitable-growth innovation "ends."

Contrast this with a world... where an innovative vision somehow both frees imaginative thinking, yet also focuses it on achievable top line growth... where innovative strategy development goes beyond the limitations of analyses of the past and present to actually generating exciting ideas for future growth ...

A world where cross-functional teams are empowered and accountable for developing nascent ideas into profitable realities... where the company partners with both consumers and outsiders suppliers to generate new ideas...and where employees at all levels are encouraged to participate in focused idea generation sessions not only to invent new products and services, but also to improve internal business processes which help fund top-line growth initiatives.

Is this an unrealistic vision? Can this really happen in the increasingly competitive, short-term, results-oriented business environment? Scores of innovation successes over the last 20 years say yes. We have seen first-hand the transformation of a surprising breadth of business processes. For example:

- **Idea-Driven Team Environment:** By combining an on-going process of focused brainstorming by a cross-functional team of internal executives and outside engineers, with an iterative approach to consumer input and idea generation, the Mentadent Toothbrush team was able to create a dynamic and energized environment for new product development. As a result, in only six months, the team invented the first-of-its-kind, high-tech premium toothbrush leading to \$50 million in Year 1 sales.

- Ideas from Anywhere: Using a kind of interactive suggestion box technique called whiteboarding, plant workers at Baldwin Technologies created two patentable idea/solutions for an improved printing technology in four days that a team of engineers had labored unsuccessfully at for over for six months.
- Every Challenge, a Creative Opportunity: Using a questioning assumptions technique, an ineffective, one-size-fits-all, sales forecasting approach for the finance, manufacturing and sales departments of a Big Three automaker, was re-invented, yielding three uniquely effective and aligned sales forecasts that ultimately better addressed the needs of each department.
- Imaginative Strategizing: Through a series of role playing and other creative exercises, an international bottled water company was able to "bring to life" a 250-page quantitative market study. Ultimately, this led the company to develop an integrated portfolio strategy that leveraged the strength and realized the potential inherent in each of their brands.
- The Power of Partnering: Through a program of ongoing, joint creative ideation sessions, the magazine publishing division of AOL Time-Warner teamed with their largest paper supplier, Champion International (now owned by International Paper) to generate millions in joint efficiency-improving and cost-cutting ideas.
- Personal Growth and Job Satisfaction: Through a projective visualization technique, a Marketing Vice President at the Alpine Lace cheese company, realized that he could be a more effective leader by having his direct reports participate in the process of what, when and to whom work got delegated.

### **Why can't this kind of creative thinking happen simultaneously, throughout a single organization?**

If a company is generating, on a project basis, new and different growth ideas and more efficient ways of conducting business, doesn't it make sense to champion a process that allows this to happen more often, and in more places?

To help companies realize the tremendous potential of these approaches throughout their business, we have developed a new philosophy of business innovation: "The Total Innovation Enterprise."

The Total Innovation Enterprise (TIE) is an organization dedicated to fostering growth and increasing profitability by liberating the creative potential of people and ideas throughout the organization. It is a holistic, thoughtful business model that balances the creation of ideas for growth against business realities and

profitability. As such, a TIE is both a philosophy and an approach to conducting and managing the business.

As an idea-driven organization, a TIE is committed to generating new ideas every day in all areas of the business, not a sometime event to be done once a year in an annual planning meeting. It utilizes a unique process of state-of-the-art team and individual focused ideation techniques to address very specific business challenges and ultimately yield breakthrough, yet also strategically-aligned creative ideas.

Although a TIE may seem theoretical, it is achievable through pragmatic means. The key difference between a TIE and other innovation initiatives is that the emphasis is put on the doing and its results, not on the restructuring of the current organization and its processes. It's only in the doing (not in the talking about the doing) where people can fully experience the excitement of creating new things, and ultimately commit to the principles and practices of results-oriented innovation. In the end, you won't innovate successfully by trying to change the culture, you'll change the culture by innovating.

Instead of making radical, or even painful organizational changes, a TIE leverages the structure and strengths of the existing organization. Most successful companies, for instance, excel not only at managing day-to-day workflow, but also short and longer-term projects. The TIE applies the inherent discipline of "a project," (with its beginning and ending time frames, and accompanying goals/deliverables) against the often-fuzzy world of innovation to insure a bottom-line, results orientation.

Furthermore, by initiating and organizing these projects into accessible, and non-threatening "opportunity areas" that transcend traditional functional departments, a company can begin to realize its true innovation potential. Without threatening the status quo, these 5 areas create an organizational framework for both engendering innovation ideas in all parts of the business while also encouraging the widest range of employee participation. Specifically, these five areas are:

- The Innovative Vision & Strategy Platform
- The Innovative Business Development Platform
- The Innovative Efficiency Platform
- The Innovative Marketing Platform
- The Innovative Partnering Platform

Ultimately, creating innovation projects in these five key platforms helps initiate a shift in people's approach to work. As employees get used to generating ideas continually, innovation principles become a way of life throughout the company.